

ENERGY GULF STATES, INC.

**Request for Renewable Energy Supply
For
Renewable Energy Pilot Program
Beginning April 1, 2007**

ENTERGY GULF STATES, INC. REQUEST FOR RENEWABLE ENERGY SUPPLY

1.0 Purpose of Request for Renewable Energy Supply

ENTERGY GULF STATES, INC. (hereinafter referred to as “EGS”), seeks renewable energy beginning April 1, 2007 for the purpose of complying with the Louisiana Public Service Commission’s (“LPSC”) General Order issued in Docket No. R-28271, *In Re: “Investigation regarding the feasibility of implementing a renewable portfolio standard for the Jurisdictional Electric Utilities in the state of Louisiana,”* which Order approves the implementation of the Green Pricing Tariff pilot program (hereinafter referred to as the “Green Pricing Tariff” or “GPT”). The information gathered through this pilot program will be used to determine the availability of existing renewable resources and the level of public interest in acquiring renewable resources and to identify opportunities for developing new renewable resources.

This Request for Renewable Energy Supply (“RRES”) was developed by EGS for the sole purpose of the pilot program ordered by the LPSC in Docket No. R-28271. If a permanent program is determined by the LPSC to be in the public interest, EGS will be required to develop a more extensive and detailed process for requesting renewable energy resources and will have to develop appropriate terms and conditions for purchase power agreements to be entered into for such purchases. EGS also may seek to modify certain terms and conditions of the RRES that may not be feasible or appropriate for a permanent program.

- 1.1 The Green Pricing Tariff is a pilot program that is scheduled for the period from April 1, 2007 through March 31, 2008.
- 1.2 Pursuant to the requirements in the Green Pricing Tariff, this RRES is seeking unit contingent renewable energy in an amount not to exceed 40,000 MWh during the period of the pilot program.
- 1.3 Pricing for renewable energy received from Suppliers that meet the renewable energy standards set out in 2.3.3, will be \$65/MWh. Pricing for renewable energy received from generation facilities that meet the renewable energy standards set out in 2.3.3, but the generation facilities of such Suppliers first began operating prior to 1997, will be \$59/MWh. The pricing associated with renewable energy under this RRES includes all renewable energy attributes associated with the energy provided pursuant to the RRES. The renewable energy attributes are unbundled from and do not include or convey any property rights associated with direct emission reductions.
- 1.4 As directed under the GPT, preference first will be given to Suppliers with generation facilities that began commercial operation on or after January 1, 1997 and that comply with the renewable energy standards set out in 2.3.3 (First Tier Qualified Suppliers). If fewer than 40,000 MWh of energy is offered by First Tier Qualified Suppliers, then EGS will fill the remaining

requirements of this tariff from proposal from Suppliers with generation facilities that began commercial operation before January 1, 1997 and that otherwise comply with the renewable energy standards set out in 2.3.3 (Second Tier Qualified Suppliers). If more than 40,000 MWh are offered through this RRES by First Tier Qualified Suppliers, then the energy will be divided equally among the First Tier Qualified Suppliers, and no energy will be accepted from the Second Tier Qualified Suppliers. If fewer than 40,000 MWh are offered through this RRES by First Tier Qualified Suppliers, and the Second Tier Qualified Suppliers offer more energy than the unfilled energy needs, then the energy available will be divided equally among the Second Tier Qualified Suppliers. Because of the limited amount of energy to be supplied under this pilot program, EGS will permit suppliers to provide energy contracted for through this RRES without regard to when other suppliers may be providing energy under this RRES.

To assist suppliers in understanding the manner in which the allocation will work, set forth in Appendix A is an illustrative example of the allocation methodology.

2.0 Instructions to Suppliers

2.1 General

- 2.1.1 Nothing contained in this RRES shall be construed to require or obligate EGS to select any proposal or limit its ability to reject any or all proposals in EGS's sole and exclusive discretion. EGS further reserves the right to withdraw and terminate this RRES, with the approval of the Louisiana Public Service Commission, at any time prior to execution of a binding written contract.
- 2.1.2 The submission of a proposal to EGS shall constitute the Supplier's acknowledgment and acceptance of all the terms, conditions and requirements of this RRES, including the Supplier's acceptance of and agreement to all material terms and conditions of the contract to be entered into between Supplier and EGS. By February 6, 2007, EGS will post on the RRES web site all material contract terms and conditions for a supplement or addendum to the existing agreements for QF Suppliers and a model contract for non-QF suppliers, and will engage in discussions with potential Suppliers to address questions and concerns regarding the proposed supplement or addendum to the QF contract and model contract(s) and will modify such material contract terms and conditions or model contract, as appropriate in EGS's sole judgment, to address those concerns. The final material terms and conditions for the contract supplement or addendum for QF suppliers and model contract for non-QF suppliers will be posted on the RRES web site by February 28, 2007. Once the final

material terms and conditions for the supplement or addendum for existing QF contracts and model contract for non-QF Suppliers are posted, EGS will not consider modifications to such material terms and conditions and these documents. However, when Suppliers submit their proposals, they may suggest *non-material* modifications to the contract form(s). Such modifications must be identified clearly at the time that the proposal is submitted, preferably by submitting a redline version of the contract form with the proposed changes clearly noted.

- 2.1.3 Subject to 2.1.4, all proposals submitted to EGS pursuant to this RRES shall be used exclusively for the purposes of the evaluation of Suppliers' proposals and the feasibility of implementing the GPT.
- 2.1.4 EGS shall consider materials provided by Suppliers in response to this RRES to be confidential only if such materials are clearly designated as "Confidential." Suppliers should be aware that their proposals, even if marked "Confidential," may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by EGS. Suppliers may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If requested by the LPSC or by an order of an agency or court of competent jurisdiction, EGS will seek to obtain a protective order or other confidential treatment for such information but, regardless of whether such treatment is obtained, may produce the material in response to such request by the LPSC or order of an agency or court of competent jurisdiction. By submitting a proposal, Suppliers consent to EGS providing that Supplier's proposal to the LPSC or its Staff, and such proposals will be provided under seal in accordance with Rule 12.1 of the LPSC's Rules of Practice and Procedure and the Commission's General Order governing the treatment of confidential information. EGS will use commercially reasonable efforts to provide prior notice to Suppliers before providing their proposals in response to orders that may be issued by other regulatory agencies or courts of competent jurisdiction.
- 2.1.5 Suppliers shall be responsible for all costs associated with developing and submitting their proposals; engaging in contract negotiations; completion of the contract; all taxes, duties, fees and other charges associated with the delivery of energy under the contract. Suppliers also shall be responsible for the interpretation of all local, state and federal laws, and regulatory agency rulings that may affect the contract.

2.2 Proposal Submission

2.2.1 The proposal must be submitted with the complete name of the party expected to execute any resulting contract with EGS and executed by a person who is duly authorized to bind the Supplier to a contract.

2.2.2 The response plus four (4) copies must be received by EGS no later than close of business March 5, 2007 at the address shown below. Suppliers should deliver their proposals by United States Registered Mail, Federal Express, or other delivery service that is able to track and document the receipt of the proposal.

Entergy Services, Inc.
Attn: Thomas Townsend
446 North Blvd
Baton Rouge, LA 70802
ttownse@entergy.com

Fax: 281-297-3744

2.2.3 Questions may be directed via E-mail to: ttownse@entergy.com

2.3 Requirements of the Proposal

2.3.1 This RRES is for the supply of up to 40,000 MWh of unit contingent renewable energy commencing April 1, 2007 and ending March 31, 2008.

2.3.2 Proposals must be for the sale of energy from a facility located in the State of Louisiana. Proposals must identify the resource supplying the energy, and must declare any special regulatory status that may be claimed by the resource, including such things as certification under the Public Utilities Regulatory Policy Act of 1978 ("PURPA") and the applicable federal and state regulations implementing PURPA as a qualifying small power production facility or a qualifying cogeneration facility.

2.3.3 For the purpose of this pilot program, Suppliers must submit an Affidavit from a duly authorized officer indicating that the renewable energy source to be used to supply energy under this Green Power Tariff meets the national standards as published by either Green-e or EcoPower, whichever organization the Supplier chooses in its sole discretion, with the exception that projects built prior to 1997 will be allowed to participate. Suppliers are not required to be certified or audited by Green-E or EcoPower but must meet the standards promulgated by either Green-e or EcoPower, whichever organization the Supplier chooses in its sole

discretion. The form of the Affidavit to be executed by Suppliers is set forth in Appendix B to this RRES. By executing the Affidavit, Suppliers will affirm that the renewable energy resource offered in response to this RRES meets either the Green-e or EcoPower national standards or, for resources that began commercial operation prior to January 1, 1997, meets the referenced national standards other than that governing the required commercial operation date of the resource. These national standards may be found at the following links:

Green-e www.green-e.org/getcert_re_obli_stan.shtml

EcoPower www.ert.net/ecopower/index.html

At the end of the pilot program, Suppliers also shall complete an attestation statement sworn to by a duly authorized officer that the energy sold met the green standards promulgated by Green-E or EcoPower, whichever organization the Supplier chooses in its sole discretion, and shall provide such attestation statement to the LPSC Staff and to EGS. The form of the Attestation to be executed by Suppliers is set forth in Appendix C to this RRES. EGS shall have the right to audit the compliance of Suppliers under the pilot program with the standards promulgated by Green-E or EcoPower, whichever organization the Supplier chooses in its sole discretion.

- 2.3.4 For facilities not interconnected to the Entergy transmission system, the Supplier must indicate a Delivery Point as an open interface on the Entergy System. Suppliers proposing to provide energy from sources requiring transmission services across a transmission system outside of the Entergy Control Area must secure transmission service from the applicable transmission provider at Supplier's sole cost and expense.
- 2.3.5 Supplier is responsible for securing all transmission, including losses, to the Delivery Point. EGS will be responsible for securing all transmission, including losses, from the Delivery Point. For the purposes of this pilot program, EGS will consider this renewable energy as non-firm energy and will utilize non-firm transmission service for the delivery of such energy.
- 2.3.6 The Schedule for bid solicitation and evaluation is shown below:

Issue RRES

February 1, 2007

Issue Initial Model Contract(s)	February 6, 2007
Issue Final Model Contract(s)	February 28, 2007
Proposals Due	March 5, 2007
Notification of Awards	March 13, 2007
Execution of Definitive Agreements	March 23, 2007
GPT Program Begins	April 1, 2007

3.0 Proposal Organization

All proposals must include the following minimum components in the order provided:

3.1 Executive Summary

A brief “executive summary” of the highlights and special features of the proposal.

3.2 Technical Proposal

A description of the source or sources for the energy.

3.3 Proposal Information

Supplier information, generating facility information and delivery schedule information must be submitted on the form of the proposal submission package attached hereto as Appendix D.

3.4 Contract Duration

The term of any contract should commence during the period beginning April 1, 2007 and ending March 31, 2008. However, an order of the LPSC canceling the pilot program also cancels all contracts entered in to under this RRES.

3.5 Contract Terms

As set forth in Section 2.1.2, Suppliers are expected to conform to all final material contract terms and conditions that are posted on the RRES web

site that are contained in (1) the supplement or addendum to the existing agreements with QF Suppliers, in the case of QF Suppliers; or (2) the model contract, in the case of non-QF Suppliers.. However, when Suppliers submit their proposals, they may suggest *non-material* modifications to the material terms and conditions for QF contracts or the model contract, as applicable. Such modifications must be identified clearly at the time that the proposal is submitted, preferably by submitting a redline version of the terms that the Supplier proposes to modify.

In addition, the monthly energy schedule to be provided for in the contracts obtained through this RRES should follow the actual operation of the unit. Thus, for example, if the unit operates 12 months per year, the energy should be offered over 12 months.

3.6 Proposal Limitations

A listing of any known economic, operational or system limitations that might affect the Supplier's ability to deliver unit contingent energy, as offered.

3.7 Company Financial Data

Information on the makeup of the Supplier and its parent organization along with the most current annual financial reports of the Supplier and its parent organization. EGS will maintain such data as confidential and will use the information only for purposes of this RRES. Further, such data will be made available to and used by only such persons within EGS and Entergy Services, Inc. that are responsible for evaluating the credit worthiness of Suppliers.

3.8 Credit

Supplier shall provide financial and/or rating information in order for EGS to determine the creditworthiness of the Supplier. EGS will maintain such data as confidential and will use the information only for purposes of this RRES. Further, such data will be made available to and used by only such persons within EGS and Entergy Services, Inc. that are responsible for evaluating the credit worthiness of Suppliers.

3.9 Exhibits

Suppliers shall provide the site location of the Supplier's resource that will be used to supply energy under the RRES and a description of the physical and operational characteristic of the resources (e.g., unit capability,

capacity factor, and fuel supply). Drawings or diagrams that would be helpful in describing the Supplier's resource should be included.

3.10 The Affidavit required by Section 2.3.3.

- 3.11 A copy of the Supplier's current interconnection agreement and, if the Supplier is a Qualifying Facility, the agreement for purchased power from a Qualifying Facility with Entergy Gulf States, Inc. or Entergy Louisiana, LLC ("ELL"). If the Supplier is located within the Entergy System control area and does not have an interconnection agreement or agreement for purchased power from a Qualifying Facility, it will be necessary that the Supplier obtain an interconnection agreement or agreement for purchased power from a Qualifying Facility that is effective at least three business days before the commencement date for deliveries pursuant to this RRES. For facilities not interconnected to the Entergy System, the Supplier must indicate a Delivery Point as an open interface on the Entergy System.

4.0 Payment

During the term of the contract, Suppliers will be paid the EGS or ELL avoided cost, as determined under the February 27, 1998 General Order of the Louisiana Public Service Commission. At the end of the contract term, provided that Supplier has met the certification requirements, as set forth in section 2.3.3 above, the Supplier will receive a payment representing the net difference between the pricing provided for under the GPT as set forth in Section 1.3 above and the monthly average avoided cost price received by the Supplier. In the event that the monthly average avoided cost price exceeds the pricing provided for under the GPT for any month, the difference for that month will be netted against any payment paid at the end of the contract term under the GPT. In no event shall the Supplier receive payments for energy delivered under the GPT program in excess of the pricing provided for under the GPT. EGS shall have the right to conduct an audit to determine whether a Supplier in fact has conformed to the applicable renewable energy standards. Suppliers that fail to meet the renewable energy standards shall receive no additional payment.

5.0 Replacement Energy

In the event that a Supplier selected to provide renewable energy under this RRES fails to deliver such energy, EGS will use commercially reasonable efforts to obtain replacement renewable energy and may use its discretion in determining when and from what providers such replacement energy will be sought.

Appendix “A”

ENTERGY GULF STATES, INC.

Request for Renewable Energy Supply For Renewable Energy Pilot Program Beginning April 1, 2007

To assist suppliers in understanding the manner in which the allocation will work, set forth below is an illustrative example of the allocation methodology.

Offers from Qualified Suppliers:

Offers	Supplier 1 1st Tier Qualified Supplier	Supplier 2 2nd Tier Qualified Supplier	Supplier 3 2nd Tier Qualified Supplier	Supplier 4 2nd Tier Qualified Supplier
Month	Monthly Energy (MWh)	Monthly Energy (MWh)	Monthly Energy (MWh)	Monthly Energy (MWh)
April-07	0	10,000	0	4,000
May-07	0	10,000	0	4,000
June-07	0	10,000	0	4,000
July-07	0	10,000	1,000	4,000
August-07	0	10,000	1,000	4,000
September-07	0	10,000	1,000	4,000
October-07	1,000	10,000	1,000	4,000
November-07	2,000	10,000	1,000	4,000
December-07	3,000	10,000	1,000	4,000
January-08	0	10,000	0	4,000
February-08	0	10,000	0	4,000
March-08	0	10,000	0	4,000
Total Offered	6,000	120,000	6,000	48,000
Total from all Qualified Suppliers		180,000		
Total from all 1st Tier Qualified Suppliers		6,000		
Total from all 2nd Tier Qualified Suppliers		174,000		
MWh's allocated to 2nd Tier Qualified Suppliers		34,000		

Step 1: Allocate among the 1st Tier Qualified Suppliers. In this example, only one 1st Tier Qualified Supplier submitted an offer. Since that offer was less than the 40,000 MWh's allowed in the Pilot Program, Supplier 1 is allocated all 6,000 MWh's of his offer.

Step 2: Determine the remaining MWh's to be allocated to the 2nd Tier Qualified Suppliers. In this example, $40,000 - 6,000 = 34,000$.

Step 3: Divide the remaining MWh's to be allocated to the 2nd Tier Qualified Suppliers equally between the number of 2nd Tier Qualified Suppliers. In this example, $34,000/3 = 11,333$.

Step 4: Determine if the remaining 2nd Tier Qualified Suppliers can each meet the equal allocation of remaining MWh's determined in Step 3. In this example, Supplier 3 cannot supply the 11,333 MWh's allocated to them. Therefore, Supplier 3 is allocated the MWh's offered, or 6,000 MWh's.

Step 5: Determine the allocation of remaining MWh's among remaining Suppliers. In this example, $40,000 - 12,000 = 28,000$ MWh.

Step 6: Divide the remaining MWh's to be allocated to the remaining 2nd Tier Qualified Suppliers equally. In this example, $28,000/2 = 14,000$.

Step 7: Determine if the remaining 2nd Tier Qualified Suppliers can each meet the equal allocation of remaining MWh's determined in Step 6. In this example, both Supplier 1 and Supplier 4 can supply the 14,000 MWh's allocated to them.

Results from the allocation process:

Results	Supplier 1 1st Tier Qualified Supplier	Supplier 2 2nd Tier Qualified Supplier	Supplier 3 2nd Tier Qualified Supplier	Supplier 4 2nd Tier Qualified Supplier
Month	Monthly Energy (MWh)	Monthly Energy (MWh)	Monthly Energy (MWh)	Monthly Energy (MWh)
April-07	0	1,167	0	1,167
May-07	0	1,167	0	1,167
June-07	0	1,166	0	1,166
July-07	0	1,167	1,000	1,167
August-07	0	1,167	1,000	1,167
September-07	0	1,166	1,000	1,166
October-07	1,000	1,167	1,000	1,167
November-07	2,000	1,167	1,000	1,167
December-07	3,000	1,166	1,000	1,166
January-08	0	1,167	0	1,167
February-08	0	1,167	0	1,167
March-08	0	1,166	0	1,166
Total Offered	6,000	14,000	6,000	14,000
Total from all Qualified Suppliers		40,000		

Note: Due to rounding to the nearest MWh, the actual allocation may differ slightly from the pure mathematical solution.

Appendix "B"

ENTERGY GULF STATES, INC.

**Renewable Energy Pilot Program
Beginning April 1, 2007**

**PARISH OF _____
STATE OF LOUISIANA**

AFFIDAVIT

I, _____ (NAME) _____, a duly authorized representative of
(SUPPLIER COMPANY) _____ hereby swear and affirm that the renewable energy source to
be used to supply energy under this Green Power Tariff meets the national standards as
effective January 1, 2007 and as published by either:

_____ Green-e (located at www.green-e.org/getcert_re_obli_stan.shtml) or

_____ EcoPower (located at www.ert.net/ecopower/index.html)

I swear and affirm that the renewable energy source to be used to supply energy
under this Green Tariff meets the above cited national standards as effective January 1,
2007, with the exception that it began operation or was repowered on or after January 1,
1997.

_____ Green-e (began operation or repowered after January 1, 1997)

_____ EcoPower (began operation or repowered after January 1, 1997)

I swear and affirm that no more than five percent (5%) fossil fuels and other fuels
that are not on the relevant Green-e list of Qualifying Sources of Renewable Generation,
measured on a BTU basis, were used, including as a start-up, pilot or supplemental fuel,
to produce the electricity in the biomass generation plant or biomass boiler.

DATE: _____

NAME / TITLE / SUPPLIER COMPANY

SWORN TO AND SUBSCRIBED BEFORE ME
ON THIS _____ DAY OF _____, 2007.

NOTARY PUBLIC

My Commission expires _____.

ENTERGY GULF STATES, INC.

Renewable Energy Pilot Program Beginning April 1, 2007

Attestation

Facility Information

Name of Generation Facility: _____

Company Name ["Seller"]: _____

Address of Facility: _____

Contact Person: _____ Title: _____

Telephone: _____ Fax: _____

Renewable MWh supplied during the pilot program.

Fuel Type	Capacity (MW)	# MWhs Sold	Date Facility was 1 st Operational (mm/yy)
Landfill Gas			
Digester Gas			
Biomass			
Hydroelectric			
Wind			
Solar electric			
Other _____			

Appendix "C" (page 2 of 3)

Net Generation Claimed for the Reporting Period:

<i>Month</i>	<i>MWh produced</i>
April 2007	
May 2007	
June 2007	
July 2007	
August 2007	
September 2007	
October 2007	
November 2007	
December 2007	
January 2008	
February 2008	
March 2008	
TOTAL	

Total Generation in MWh: _____

Declaration:

I, (print name and title) _____, declare that:

1. The megawatt hours of renewable electricity claimed above were generated at the aforementioned facility which is a grid-connected generating unit that complies with the national standards as effective January 1, 2007 and as published by either:

_____ Green-e (located at www.green-e.org/getcert_re_obli_stan.shtml) or

_____ EcoPower (located at www.ert.net/ecopower/index.html)

or the renewable electricity claimed above were generated at the aforementioned facility which is a grid-connected generating unit that complies with the above cited national standards as effective January 1, 2007 with the exception that it began operation or was repowered on or after January 1, 1997.

_____ Green-e (began operation or repowered after January 1, 1997)

_____ EcoPower (began operation or repowered after January 1, 1997)

2. The quantity of electricity claimed above is not in excess of the net generation of the generating facility during the indicated time period.

3. The renewable energy listed above was sold exclusively from:

(Power Supplier) _____

to ENTERGY GULF STATES, INC. It was not otherwise marketed or sold on

Appendix “C” (page 3 of 3)

the wholesale or retail market. It was not otherwise counted towards the requirements of a mandatory government-sponsored renewable portfolio standard.

4. All the renewable attributes represented by the renewable electricity generation listed above were transferred to ENTERGY GULF STATES, INC.;
5. All the renewable attributes were sold only once;
6. The renewable energy attributes are unbundled from and do not include or convey any property rights associated with direct emissions reductions resulting from the generation of electricity from renewable energy sources.

As an authorized agent of (Power Supplier),

_____ ,

I attest that the above statements are true and correct.

Signature: _____ Date: _____

Place of Execution: _____

Additional Statement Required by Biomass Generators

I attest that no more than five percent (5%) fossil fuels and other fuels that are not on the relevant Green-e list of Qualifying Sources of Renewable Generation, measured on a BTU basis, were used, including as a start-up, pilot or supplemental fuel, to produce the electricity in the above Green-e eligible biomass generation plant or biomass boiler.

Signature

Date

Place of Execution

ENTERGY GULF STATES, INC.

**Request for Renewable Energy Supply
For
Renewable Energy Pilot Program
Beginning April 1, 2007**

Company Name: _____

Contact Person: _____

Title/Position: _____

Business Address: _____

Mailing Address: _____

Telephone: _____

Fax: _____

Email: _____

Federal Tax ID or Taxpayer ID: _____

Generating Facility Name: _____

Generating Facility Location: _____

Address: _____

Address: _____

Parish: _____

Generating Facility Interconnection Point (If located on the Entergy System):

Generating Facility Control Area (If not located on the Entergy System):

Delivery Point (If not located on the Entergy System):

Ownership of Generating Facility:

Commercial Operation Date:

Appendix “D”(page 2 of 2)

Monthly Energy Deliveries: The monthly energy schedule provided should follow the actual operation of the unit. Thus, for example, if the unit operates 12 months per year, the energy should be offered over 12 months.

Month	Monthly Energy (MWh)
April-07	
May-07	
June-07	
July-07	
August-07	
September-07	
October-07	
November-07	
December-07	
January-08	
February-08	
March-08	